

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: MIDAMERICAN ENERGY COMPANY	DOCKET NO. SR-99-1 (TF-98-113)
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ORDER DENYING OBJECTION

(Issued June 14, 1999)

On January 11, 1999, MidAmerican Services filed with the Utilities Board (Board) supplier registration information required under the terms of MidAmerican Energy Company's (MidAmerican Energy) tariff to participate in its Extended Market Access Service (EMAS) pilot program. On March 22, 1999, MidAmerican Services filed additional information, including services and pricing plans initially offered, billing formats, marketing literature and brochures, and evidence that MidAmerican Services is capable of providing service in accordance with the supplier requirements contained in MidAmerican Energy's tariff. The Board issued an order on April 13, 1999, that, among other things, stated MidAmerican Services' information met the filing requirements listed on Sheet R-2 of MidAmerican Energy's EMAS tariff.

On April 12, 1999, the Consumer Advocate Division of the Department of Justice (Consumer Advocate) filed an objection to MidAmerican Services' residential marketing literature and brochures. Consumer Advocate argued the materials overstated potential customer price savings because out-of-date information was used for the comparison. Consumer Advocate also said the brochures' language

was too general by not taking into account individual rate code differences.

Consumer Advocate asked the Board to require MidAmerican Services to modify its marketing literature and brochures.

MidAmerican Services filed a response to Consumer Advocate on April 29, 1999. MidAmerican Services claimed more current information confirmed its claim of residential customer price savings but that, to deal with individual rate code differences, it would add the disclaimer that "individual savings may vary." MidAmerican Services filed revised residential marketing literature and brochures on May 4, 1999. The revised literature and brochures contained the residential disclaimer plus a more current pricing plan for commercial customers.

The revised marketing literature and brochures appear to address some, if not all, of Consumer Advocate's concerns and the objection may be moot. Nevertheless, the Board believes it should address its role in MidAmerican Energy's residential pilot project. Pursuant to the terms of MidAmerican Energy's EMAS tariff, pilot suppliers are required to file ten separate information items with the Board. The Board's role is limited to determining whether all of the ten required information items have in fact been filed.

As pilot administrator, MidAmerican Energy determines when a supplier has met the EMAS requirements for participation. The Board does not evaluate, certify, or regulate pilot suppliers or their registration information and, therefore, does not evaluate the truth or accuracy of suppliers' registration information. Neither the Board's February 10, 1998, pilot project guidelines nor the EMAS tariff contemplate

the Board evaluating or certifying suppliers or their registration information.

Consumer Advocate's objection, if not moot, will be denied.

The EMAS pilot is an experiment in electric competition for residential customers in Council Bluffs. Consumer Advocate, who pursuant to IOWA CODE chapter 475 represents consumers generally in a variety of utility matters, questioned the accuracy of marketing claims made by a pilot supplier. Subsequent to the objection, MidAmerican Services revised its marketing literature and brochures. This type of policing of marketing claims by Consumer Advocate, and others, is what one would expect in an open market.

IT IS THEREFORE ORDERED:

The objection to MidAmerican Services' residential marketing literature and brochures, filed by the Consumer Advocate Division of Justice on April 12, 1999, is denied.

UTILITIES BOARD

/s/ Allan T. Thoms

/s/ Susan J. Frye

ATTEST:

/s/ Raymond K. Vawter, Jr.
Executive Secretary

Dated at Des Moines, Iowa, this 14th day of June, 1999.